



## INDEPENDENT EVALUATION OF THE GCF'S APPROACH TO INDIGENOUS PEOPLES

### BACKGROUND

The Independent Evaluation of the GCF's Approach to Indigenous Peoples (IPs) was approved as part of the 2024 workplan of the IEU. The evaluation primarily aimed to assess the relevance and effectiveness of the GCF's approach to IPs, including applying environmental and social standards (ESS) and sharing programme or project benefits with IPs. The evaluation also assessed the internal and external coherence of the GCF's Indigenous Peoples Policy (hereafter referred to as "IPs Policy") and the extent to which the IPs Policy's implementation has guided GCF results.

The evaluation employed a theory-based approach and participatory and utilization-based methodologies to deliver practical and relevant findings and recommendations for the GCF Board, Secretariat, and other stakeholders. The evaluation was submitted in time for B.41 in February 2025.

### FINDINGS

#### 1. GCF's Approach to IPs

- The IPs Policy is widely regarded for many of its strengths, while primarily setting the GCF's approach toward the IPs.
- The IPs Policy is generally consistent with UNFCCC's guidance to the GCF. The IPs Policy could be aligned to include the recent advancements in the international narrative.
- The IPs Policy and ESS are broadly aligned in intent, but inconsistent terms and concepts undermine the application.

- While the Indigenous Peoples Advisory Group (IPAG) is still establishing its institutional linkages and resources, it holds promise for the IPs Policy's implementation.

#### 2. GCF projects with IPs

- The GCF's approach on IPs is to: 1) protect IPs from harm by reinforcing the 'do no harm' approach, and 2) promote consultation and information-sharing. There is no specific commitment within the GCF on access to IPs.
- The GCF business model focuses on NDAs and AEs, and creates a systemic challenge for IPs to access GCF resources.
- The GCF is the only major multilateral climate fund without a specific mechanism or commitment to support IPs.
- It is not possible to determine the precise number of IPs beneficiaries, or the finance directed towards IPs in the GCF portfolio. According to estimates by the evaluation team, there are 128 IPs-relevant projects as of B.40.
- The GCF's approach to IPs is perceived as a compliance exercise. As a result, AEs are disincentivized to develop meaningful projects with IPs.
- Alternate modalities like SAP and PSAA don't have specific provisions for IPs. RPSP can be crucial for integrating IPs' considerations, but its use is opportunistic.



### 3. Implementation of IPs projects

- The IPs Policy includes an encouraging approach on traditional knowledge. However, the use of such knowledge in FPs depends on time and resources available to an AE.
- There are no IPs-specific indicators in GCF monitoring systems, so an assessment of IPs-results is not possible.
- Yet, some encouraging outcomes are visible at the project-level, and can be seen in the case studies of this evaluation.
- Similarly, it is not possible to assess co-benefits in IPs-related projects.
- Many projects include diverse activities targeting women, though not amounting to proactive empowerment.

### 4. Factors affecting the GCF's approach to IPs

- Implementation of the IPs Policy is rooted in and subject to the national context and is outside the GCF's sphere of influence.
- Post-approval oversight of the IPs Policy is limited.
- The application of free, prior, and informed consent (FPIC) is limited to project origination, as a one-off event rather than a continuous one. FPIC is subject to resources and variable.
- There is evidence that meaningful FPIC leads to sustainable project outcomes.

## RECOMMENDATIONS

**Recommendation 1:** In the short term, the GCF should continue reinforcing the IPs Policy and Operational Guidelines and calibrating its operational tools to fully implement the intended objectives of the IPs Policy.

The following actions are essential:

- Promote awareness among the NDAs and AEs, by leveraging IPAG legitimacy and expertise.
- Update the Operational Guidelines of the IPs Policy and operationalize the inclusion of traditional knowledge.

- Reflect normative priorities emerging at the global level, in future Policy updates. Some areas to address include locally led adaptation, enhanced participatory governance, and integration of traditional knowledge.

**Recommendation 2:** In the medium term, the GCF Secretariat should establish mechanisms and provide resources, including technical and financial support for the effective implementation of the IPs Policy.

The evaluation recommends:

- Create an enabling environment for IPs by recognizing their needs, further integration in GCF's operational and strategic documents, advance IPs narrative in contexts where the full intent of the IPs Policy cannot be implemented due to preceding national legislation, and actively support the development of IPs projects.
- Tailor GCF's support modalities, such as PPF and RPSP, to better target and address IPs.
- Improve monitoring in projects involving IPs, through specific indicators, measuring co-benefits and gender-disaggregated data.

**Recommendation 3:** Within the second-level due diligence role and compliance-based architecture, the GCF needs to address the limitations in compliance oversight, ensuring sufficient flexibility to adapt the IPs Policy to a diversity of contexts and risks.

The evaluation recommends for the GCF to:

- Reinforce oversight by enhancing IPs-relevant information in reporting, monitoring, and evaluation.
- Build capacities to monitor compliance.
- Strengthen IPAG's role in project review and monitoring.
- Enhance compliance mechanism and monitoring tools.
- Build and enhance grievance mechanisms at all levels.



**Recommendation 4:** The GCF must address the fundamental challenges of the business model for IPs and consider an IP-specific window or program.

The evaluation report recommends that such a window should include the following:

- A strategic portfolio commitment by dedicating a portion of GCF resource envelope to IPs.
- Customize the business model, among other things, by leveraging the intermediary role of Indigenous Peoples Organisations (IPOs).
- Develop an IPs-oriented culture that recognizes IPs as rightful stewards and custodians of resources and territories.
- Move toward a paradigm shift for IPs with a more systemic and deliberate means for benefiting IPs.

**Recommendation 5:** The GCF must further clarify its strategic position on IPs as it undergoes its restructuring and undertakes strategic decisions and provide clear direction on its approach to IPs.

In implementing this recommendation, the evaluation finally recommends that:

- In implementing the IPs Policy, the GCF should balance flexibility and prescription and clearly define this in guidelines and operational tools.
- Approach to IPs should be clarified, including if the GCF will (or not) more actively support IPs and strengthen their institutions.

- The GCF should use its position to set standards for good faith negotiations, engagement, and empowerment of IPs.
- The GCF should explore its role and potential for creating an enabling environment for IPs and meaningfully engage with them.

## METHODS

The evaluation employed a mixed methods approach, incorporating qualitative and quantitative methods for data collection, data set building, and data analysis. Key methods for data gathering included a synthesis of previous IEU evaluations, desk research, literature review, document review, portfolio analysis, semi-structured interviews, focus group discussions, as well as country case studies. Country case studies included Botswana, Colombia, Paraguay, Philippines, and Vanuatu.

While conducting the evaluation, the evaluation team approached its work fully dedicated to respecting IPs, guided by the evaluation questions and aligned with the GCF evaluation standards. The evaluation scope and framework was based on a desk review, along with several engagement with GCF staff and partners, IPAG, IPs experts, and Indigenous Peoples' Organizations (IPOs).

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